

INVENTURUS KNOWLEDGE SOLUTIONS LTD

12-12-2024 - 16-12-2024

Industry: Technology Driven Healthcare Solution
Recommendation: Subscribe for Long Term

Price Band: ₹1,265 - 1,329
Post Implied Market Cap: - ₹21,704 - ₹22,802Cr

Key Data

Issue Size (₹ Cr)	2,378 - 2,498
Fresh (₹)	0
OFS (₹)	2,498
No. of shares offered	-
Face Value (₹ /share)	1
Bid Lot	11

About the Company

Inventurus Knowledge Solutions Ltd (IKS) is a technology-driven healthcare solutions provider specializing in enabling physician enterprises across the US, Canada and Australia, with a strong focus on the US market. The company offers a care enablement platform that supports outpatient and inpatient care organizations in delivering superior clinical care, improving population health outcomes, transitioning to value-based care models and optimizing revenues while reducing operational costs. As of September 30, 2024, IKS serves over 778 healthcare organizations, including health systems, academic medical centres, and various medical groups, emphasizing comprehensive support for healthcare delivery organizations.

Investment Rationales

- Comprehensive one-stop platform with diversified offerings across the outpatient and inpatient care value chain serving key stakeholders such as patients, physicians, nurses and healthcare organizations:** IKS leverages a comprehensive, one-stop provider enablement platform to address the financial, clinical, technological and operational needs of healthcare organizations in the US, Canada, and Australia. By integrating solutions like revenue optimization, clinical support, digital health services and EHR system migration, IKS eliminates the need for multiple vendors. Their customized offerings include dedicated teams and managers who act as liaisons, ensuring tailored solutions and efficient delivery for each client. This approach fosters seamless operations and enhances client outcomes.
- Leveraging digital evolution, transformation and automation technologies to create sustained value based on outcomes delivered:** IKS integrates platform-based technology solutions with client's practices and EHR systems to reduce administrative and clinical burdens, enhance communications, and provide actionable insights. Their Unifying Data Platform aggregates, normalizes, and consolidates data from disparate sources into a standardized "data lake," improving data quality and integrity. This platform powers customizable dashboards with advanced reporting capabilities, offering tailored insights to each organization or user for enhanced decision-making and operational efficiency.
- Marquee large enterprise clientele that include academic medical centres and healthcare systems, multispecialty and single-specialty medical groups, ancillary healthcare organizations, value enablers, and other outpatient healthcare delivery organizations and client stickiness reflected in revenues from repeat clients of over 90% in the last 3 Fiscals:** IKS has built strong, long-term relationships with its diverse client base, including academic medical centres, healthcare systems, multi- and single-specialty medical groups, and other healthcare organizations. Its client base expanded significantly from 45 clients as of March 31, 2022, to 49 as of March 31, 2023, and further grew to 778 clients by September 30, 2024, following the acquisition of Aquity Holdings.
- Sustainable and scalable business model offering clients flexibility and cost-savings and high-touch:** The company employs a sustainable and scalable engagement model that offers clients flexibility and cost savings in implementing solutions across varied organizational scales. With over 15 years of expertise, this model supports healthcare organizations growth by enabling seamless integration of new physicians, clinics or medical groups. It allows clients to focus on business expansion without needing to invest capital or resources into managing administrative, clinical, or technological needs.
- Move from a "human-led tech-enabled" model to a "tech-led human-enabled" model:** The company's solutions transition clients from a "human-led, tech-enabled" model, which relies heavily on manual work, to a "tech-led, human-enabled" model that emphasizes automation and minimal manual intervention. Employees' roles evolve from performing manual tasks to auditing automated systems, focusing on managing exceptions and handling complex cases.

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	17-12-2024
Refunds/Unblocking ASBA Fund	18-12-2024
Credit of equity shares to DP A/c	18-12-2024
Trading commences	19-12-2024

Shareholding (No. of shares)

Pre-Issue	171,573,159
Post Issue (Lower price band)	171,573,159
Post Issue (Higher price band)	171,573,159

Shareholding Pattern

Promoter & Promoter Group:

Pre Issue	62.57%
Post Issue	60.61%

Public - Investor Selling S/h:

Pre Issue	7.16%
Post Issue	5.18%

Public- Others:

Pre Issue	27.53%
Post Issue	31.47%

Employee Trust:

Pre Issue	2.74%
Post Issue	2.74%

Issue Breakup

QIB	75%
NIB	15%
Retail	10%

Other Details

BRLMs: ICICI Securities, Jefferies India, JM Financial, J.P.Morgan India, Nomura Financial.

Registrar: Link Intime India Pvt Ltd..

Listing: BSE & NSE

Research Analyst

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Risk

- High government regulation industry.
- Competition in RCM and Healthcare technologies.
- 100% OFS (Offer for Sale)

MView

We believe Inventurus Knowledge Solutions Ltd IPO brings investors an opportunity to invest in a prominent technology-driven healthcare solutions provider. We think the company's comprehensive one-stop platform addresses diverse financial, clinical, technological, and operational needs for healthcare organizations across the US, Canada, and Australia. Its expertise in integrating solutions across revenue optimization, clinical support, digital health, and EHR migrations positions it as a preferred partner in the healthcare ecosystem. We also believe the company's Unifying Data Platform, with advanced data aggregation and visualization capabilities, demonstrates its ability to deliver actionable insights and operational efficiencies. Post the acquisition of Aquity Holdings, IKS has significantly expanded its client base from 45 in FY2022 to 778 as of September 2024, reflecting strong growth and enhanced synergies. Its scalable engagement model offers flexibility and cost savings, enabling clients to focus on growth while benefiting from IKS's seamless support. By looking at the financials, the company showed good growth in revenue from operations/net profit in FY 2023 and FY 2024, as Revenue from operations soared by 35%/76% while the net profit increased by 31%/21% in FY2023 and FY 2024. On valuation parse at the upper price band of ₹ 1329/-, the issue is asking for a Market cap of ₹ 22802 cr. Based on annualised FY 2024 earnings and fully diluted post - IPO paid-up capital, the company is asking for a PE of 54.66x which seems fully priced looking at the company's financial growth trajectory. The short-term dip in EBITDA margins, attributed to the acquisition integration, is expected to improve as synergies materialize. But as there is no listed peer to compare in similar business we think the company may command premium valuation. Investors should also look at IPO offers which come with 100% OFS i.e ₹ 2498 cr/- cr issue which is an area of concern for new investors. As it is backed by over 15 years of experience and long-standing client relationships, IKS is well-positioned to capitalize on the growing demand for integrated healthcare solutions. Hence, looking at all attributes we recommend investors to "SUBSCRIBE" the Inventurus Knowledge Solutions Ltd IPO for long term perspective.

CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	As at Sept 30th		As at March' 31		
	2024 (6)	2023 (6)	2024	2023	2022
Equity Share Capital	16.94	16.86	16.92	16.84	16.81
Reserves	1,360.17	865.04	1,140.94	811.8	630.26
Net Worth	1,377.11	881.90	1,157.86	828.64	647.07
Borrowings	828.63	-	1,193.42	-	-
Revenue from Operations	1,282.88	630.87	1,817.93	1,031.30	763.63
Revenue Growth (%)	103.35%	-	76.28%	35.05%	-
EBITDA	359.09	232.22	559.57	391.31	297.18
EBITDA Margin (%) as stated	27.99%	36.81%	30.78%	37.94%	38.92%
Net Profit for the Period	208.58	205.38	370.49	305.23	232.97
Net Profit Margin (%)	16.26%	32.55%	20.38%	29.60%	30.51%
EPS	12.35	12.22	22.15	18.13	14.04
RONW (%)	15.15%	23.29%	32.00%	36.83%	36.00%
Net Asset Value (₹) as stated	82.83	53.28	69.70	50.14	39.22

Source: Company RHP



MSEARCH

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Msearch's Recommendation (Absolute Performance)

Buy: > 20% within the next 12 Months

Accumulate: 5% to 20% within the next 12 Months

Sell : < -20% within the next 12 Months

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